2007-05286/

Government of Canada Securities

A Publication of the Department of Finance

October 2004

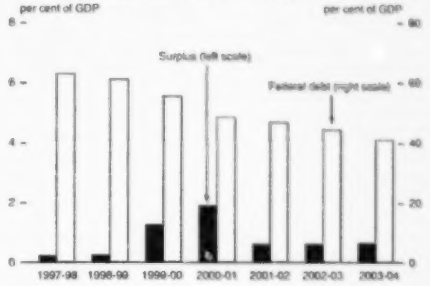
Canadian Economy

Selected Canadian economic statistics

	2003			2004	
	Q2	Q3	Q4	Q1	Q2
Annualized growth rates			(per cent)		
Real gross domestic product	-1.0	1.4	3.3	3.0	4.3
Final domestic demand	3.5	5.2	2.3	5.9	1.7
Employment growth	0.7	0.8	3.6	1.1	2.0
Other					
Unemployment rate	7.7	7.9	7.5	7.4	7.2
Current account balance (percentage of GDP)	1.7	2.2	2.2	2.6	3.2

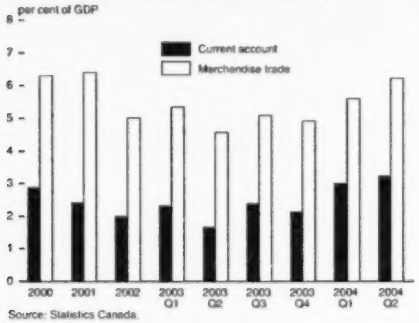
Source: Statistics Canada.

Government of Canada debt (accumulated deficit) and budgetary balance



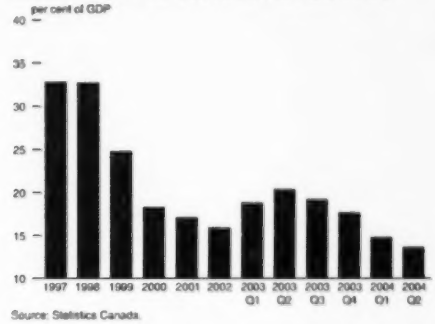
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

October

August GDP
(October 29)

November

October Labour Force Survey
(November 5)

October CPI
(November 23)

September GDP
(November 30)

National Economic and Financial Accounts
July-September 2004
(November 30)

December

November Labour Force Survey
(December 3)

November CPI
(December 17)

October GDP
(December 23)

Canada

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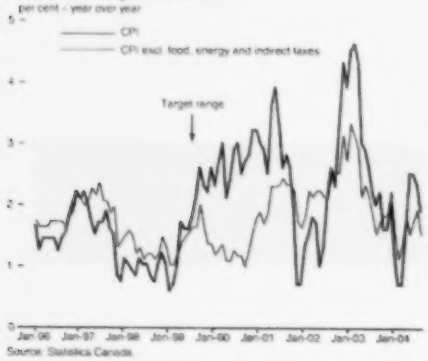
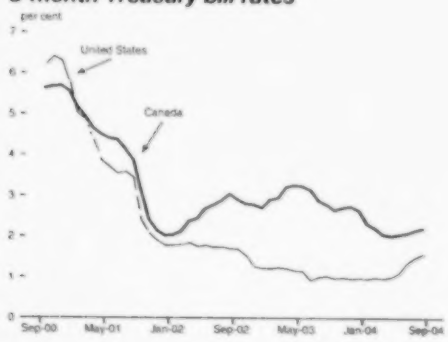
Canadian Economy

Consumer price index



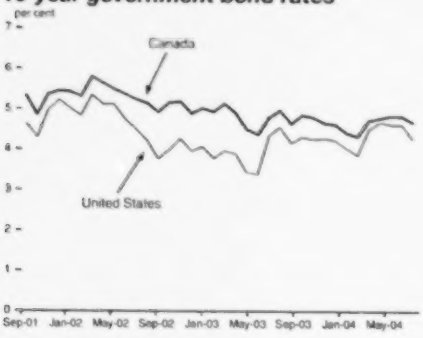
Source: Statistics Canada.

3-month Treasury bill rates



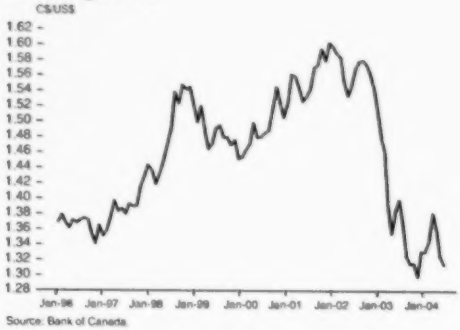
Sources: Bank of Canada and Federal Reserve.

10-year government bond rates



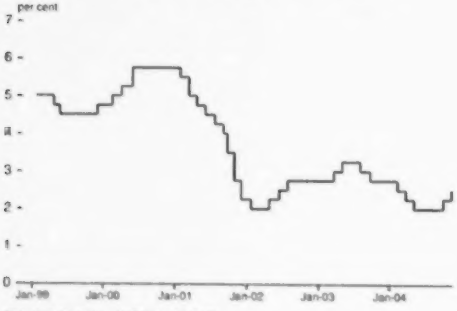
Sources: Bank of Canada and Federal Reserve.

Exchange rate



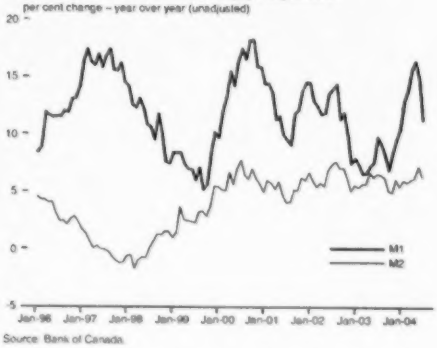
Source: Bank of Canada.

Target overnight money market rate



Note: Includes data up to October 21, 2004.
Source: Bank of Canada.

Canadian monetary aggregates

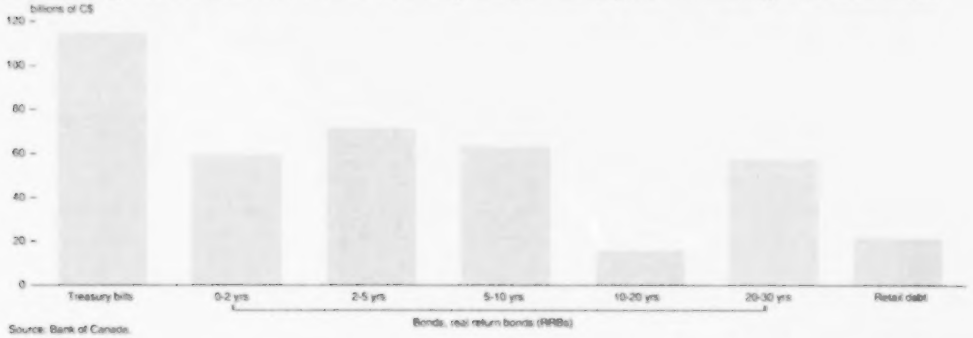


Source: Bank of Canada.

Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt



Source: Bank of Canada.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage*	Tail**
	(years)		(%)	(millions of dollars)		(%)		(basis points)
October 13, 2004	10	June 1, 2015	4.5	2,100	98.627	4.666	2.267	0.3
September 15, 2004	2	December 1, 2006	3.25	2,800	99.866	3.312	2.416	0.3
September 1, 2004	30	December 1, 2036	3***	300	115.125	2.330	2.205	n.a.
August 25, 2004	5	September 1, 2009	4.25	2,100	100.740	4.085	2.373	0.3
August 11, 2004	10	June 1, 2014	5	2,200	102.436	4.686	2.052	0.3
July 14, 2004	30	June 1, 2037	5	1,500	96.187	5.245	2.165	0.6

* Coverage is defined as the ratio of total bids at auction to the amount auctioned.

** Tail is defined as the high accepted yield minus the average yield.

*** Real return bond.

Source: Bank of Canada

Government of Canada bond auctions

Type of issue	Auction date (2004)	Further details of issue (2004)	Dated and delivered (2004)	Amount maturing*
				(millions of dollars)
5-year auction	November 17	November 10	November 22	0
30-year RRB auction	December 1	November 25	December 6	0
2-year auction	December 8	December 2	December 10	0

In addition, this quarter six operations are planned under the Government of Canada bond repurchase program. Three repurchase operations will be held in conjunction with each nominal bond auction, and three switch repurchase operations will take place: one on October 6 in the 5 year sector, one on November 3 in the 30 year sector, and one on December 15 in the 10-year sector. Further details will be released on the Thursday prior to these operations. The target amount for repurchase this quarter is $2.5 billion.

*Maturity of $10,474 million on December 1, 2004.

Source: Bank of Canada.

Government of Canada Securities

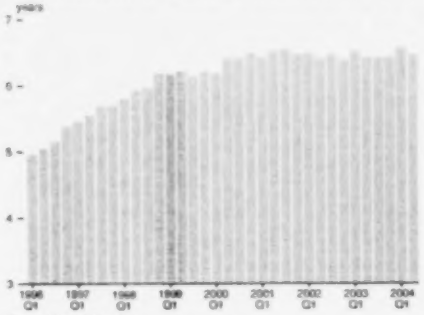
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Sept. 24, 2004)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	Dec. 1, 2006	3.25	6,000	3.27
5-year	Sept. 1, 2009	4.25	9,800	3.99
10-year	June 1, 2014	5.00	10,367	4.56
30-year	June 1, 2029	5.75	13,900	5.05
Real return				
30-year	Dec. 1, 2026	4.25	5,250	2.30

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

October-December 2004	January-March 2005	April-June 2005	July-September 2005
	(millions of dollars)		
10,747	496	6,626	11,364

Outstanding Government of Canada foreign currency debt

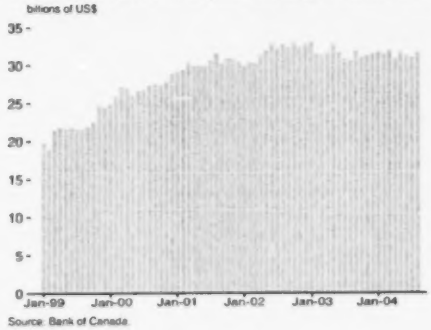
	(C$ millions)*
Canada bills	2,219
Canada notes	1,177
Outstanding under EMTN program	3,059
6⅜% US$ bonds maturing November 30, 2004	2,573
6¾% US$ bonds maturing July 21, 2005	1,930
6¼% US$ bonds maturing August 28, 2006	1,286
6⅛% NZ$ bonds maturing October 3, 2007	427
4⅛% EUR bonds maturing July 7, 2008**	3,246
5¼% US$ bonds maturing November 5, 2008	3,216

* At par value, adjusted for exchange rates as of September 21, 2004.

**Original issue of Deutsche Marks was redenominated into euro on February 19, 1999.

Source: Bank of Canada.

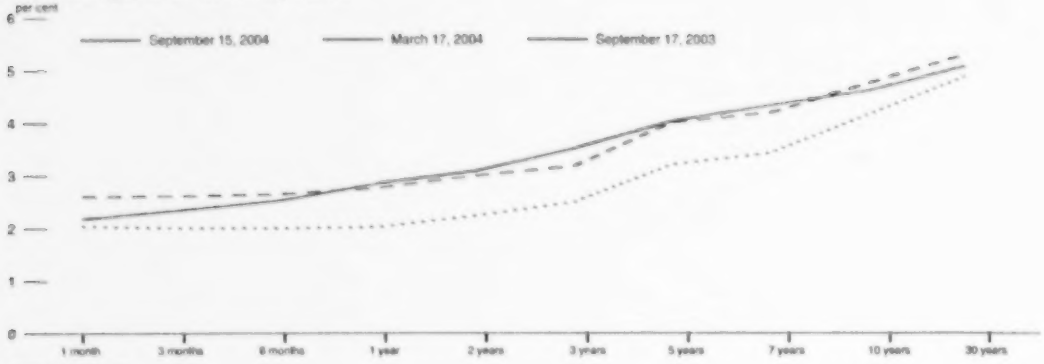
Canada's level of liquid foreign reserves



Source: Bank of Canada.

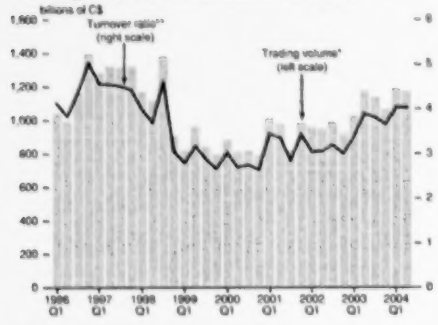
Secondary Market

Canadian yield-to-maturity curve



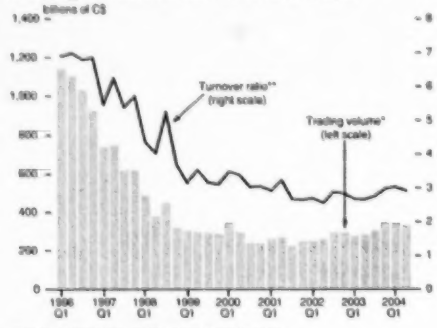
Source: Bank of Canada

Government of Canada bonds trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
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Source: Bank of Canada.

Government securities distributors

- Bank of Montreal (Treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (Treasury bills only)
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- HSBC Bank Canada
- Laurentian Bank Securities Inc.
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- National Bank Financial Inc.
- Ocean Securities Inc.
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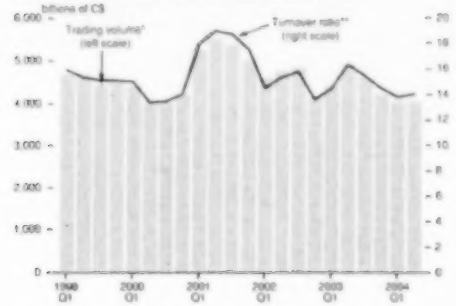
- The Toronto-Dominion Bank

Government of Canada Securities

Secondary Market

Government of Canada bond repos trading volume and turnover ratio



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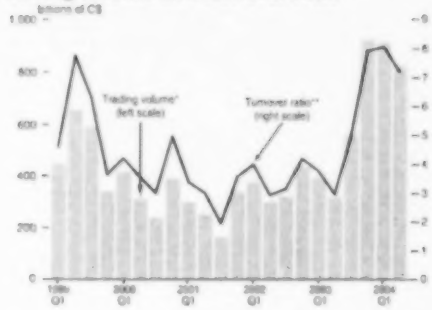
Government of Canada Treasury bill repos trading volume and turnover ratio



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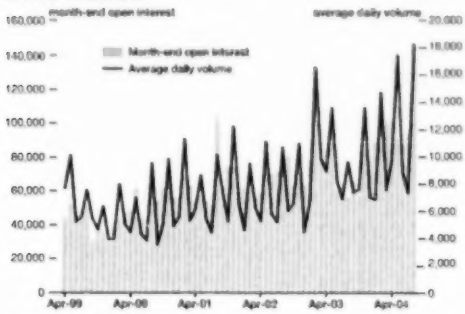
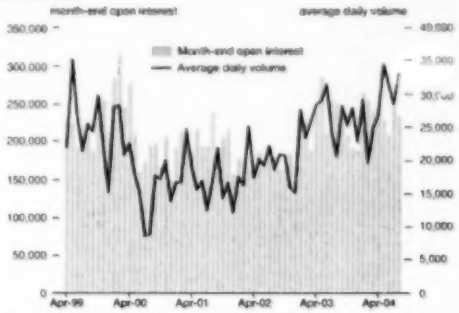
10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of October 14, 2004.
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